

## Rural Utilities Service, USDA

## § 1721.1

bonds, or the reporting requirements listed in 7 CFR 1720.12; or

(5) The guaranteed lender failed to comply with any material covenant or provision contained in the bond documents.

(e) In the event the guaranteed lender fails to cure such defaults within the notice terms and the timeframe set forth in the bond documents, the Secretary may demand that the guaranteed lender redeem the guaranteed bonds. Such redemption amount will be in an amount equal to the outstanding principal balance, accrued interest to the date of redemption, and prepayment premium, if any. To the extent the Secretary makes any payments under the guarantee, the Secretary shall be deemed the guaranteed bondholder.

(f) To the extent the Secretary makes any payments under the guarantee, the interest rate the government will charge to the guaranteed lender for the period of default shall accrue at an annual rate of the greater of 1.5 times the 91-day Treasury-Bill rate or 200 basis points (2.00%) above the rate on the guaranteed bonds.

(g) Upon guaranteed lender's event of default, under the bond documents, the Secretary shall be entitled to take such other action as is provided for by law or under the bond documents.

### § 1720.15 Equal opportunity requirements.

*Executive Order 12898, "Environmental Justice."* To comply with Executive Order 12898, RUS will conduct a Civil Rights Analysis for each guarantee prior to approval. Rural Development Form 2006-28, "Civil Rights Impact Analysis", will be used to document compliance in regards to environmental justice. The Civil Rights Impact Analysis will be conducted prior to application approval or a conditional commitment of guarantee.

## PART 1721—POST-LOAN POLICIES AND PROCEDURES FOR INSURED ELECTRIC LOANS

### Subpart A—Advance of Funds

Sec.

1721.1 Advances.

### Subpart B—Extensions of Payments of Principal and Interest

- 1721.100 Purpose.
- 1721.101 General.
- 1721.102 Definitions.
- 1721.103 Policy.
- 1721.104 Eligible purposes.
- 1721.105 Application documents.
- 1721.106 Repayment of deferred payments.
- 1721.107 Agreement.
- 1721.108 Commencement of the deferment.
- 1721.109 OMB control number.

AUTHORITY: 7 U.S.C. 901 *et seq.*; 1921 *et seq.*; and 6941 *et seq.*

### Subpart A—Advance of Funds

#### § 1721.1 Advances.

(a) *Purpose and amount.* With the exception of minor projects, insured loan funds will be advanced only for projects which are included in an RUS approved borrower's construction work plan (CWP) or approved amendment and in an approved loan, as amended. Loan fund advances can be requested in an amount representing actual costs incurred.

(b) *Minor project.* Minor project means a project costing \$100,000 or less. Such a project qualifies for advance of loan funds even though it may not have been included in an RUS-approved borrower's CWP, amendment to such CWP, or approved loan. Total advances requested shall not exceed the total loan amount. All projects for which loan fund advances are requested must be constructed to achieve purposes permitted by terms of the loan contract between the borrower and RUS.

(c) *Certification.* Pursuant to the applicable provisions of the RUS loan contract, borrowers shall certify with each request for funds to be approved for advance that such funds are for projects in compliance with this section and shall also provide for those that cost in excess of \$100,000, a contract or work order number as applicable and a CWP cross-reference project coded identification number. For a minor project not included in an RUS approved borrower's CWP, the Borrower shall describe the project and do one of the following to satisfy RUS' environmental requirements (see 7 CFR part 1794).